

STATE OF ALASKA

RANK H. MURKOWSKI, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL AND GAS

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May 19, 2006

Chris Alonzo
Supervisor, WNS Base
ConocoPhillips Alaska, Inc.
PO Box 100360
Anchorage, Alaska 99510-0360

Via Fax (265-6472) and Mail

Re: Colville River Unit
Third Revision of the Alpine Participating Area and
Revised Fifth Year Reserves Estimate Revision

On March 14, 2006, ConocoPhillips Alaska, Inc. (ConocoPhillips), as the unit operator of the Colville River Unit (CRU), filed an Application for the Third Revision of the Alpine Participating Area (APA) and Revised Fifth Year Reserves Estimate Revision (Application) under Section B.3 of the Agreement Regarding the Colville River Unit Five Year Alpine Participating Area Revision and Reserves Estimate Revision, dated June 6, 2005 (Agreement). The revised APA includes certain lands currently not within the APA boundaries and excludes certain lands currently within the APA boundaries. The Application also includes a revised division of interest allocating Unit Tract Participation among the CRU Tracts within the revised APA (See attached Exhibit C and Exhibit D to the CRU Agreement). In accordance with Section B.3 of the Agreement, and Article 9.5 and 10.1 of the CRU Agreement, the Application is approved effective June 1, 2006.

A person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received within 20 calendar days after the date of "issuance" of this decision, as defined in 11 AAC 02.040(c) and (d) and may be mailed or delivered to Michael Menge, Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918, or sent by electronic mail to dnr_appeals@dnr.state.ak.us. This decision takes effect immediately. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.

Sincerely,



William Van Dyke
Acting Director

Attachments: Exhibit C and D to CRU Agreement

CRU_ThirdAPARrevision_Revised_5YearReservesRevision_Approval

"Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans."

Exhibit C

Revised March 14, 2006

Alpine Participating Area Tract Participation

Attached to and made a part of the Colville River Unit Agreement

Tract No.	ADL No./ AK No./ Tobin No.	Legal Description	Acres	Royalty (%)	Owners	Working Interest %	Tract Allocation
10	25538 4715 932100	T12N-R5E, U.M. Sec. 19: S $\frac{1}{2}$ S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ TOTAL	<u>106.25</u> 106.25	12.5	CPAI APC	78.00 22.00	0.00000309
14	25530 4714 932098	T12N-R4E, U.M. Sec. 24: S $\frac{1}{2}$ TOTAL	<u>320.00</u> 320.00	12.5	CPAI APC	78.00 22.00	0.00007436
15	25529 4713 932096	T12N-R4E, U.M. Sec. 23: S $\frac{1}{2}$ TOTAL	<u>320.00</u> 320.00	12.5	CPAI APC	78.00 22.00	0.00004219
16	25529 4713 932096	T12N-R4E, U.M. Sec. 22: S $\frac{1}{2}$, excl. NPRA TOTAL	<u>157.41</u> 157.41	12.5	CPAI APC	78.00 22.00	0.00065002
17	387211 4833 932197	T12N-R4E, U.M. Sec. 22: S $\frac{1}{2}$, within NPRA TOTAL	<u>162.59</u> 162.59	16.66667	CPAI APC	78.00 22.00	0.00000668
18-A	387211 4833 932197	T12N-R4E, U.M. Sec. 21: S $\frac{1}{2}$, within NPRA TOTAL	<u>124.24</u> 124.24	16.66667	CPAI APC	78.00 22.00	0.00000003
18-B	387211 4833 932197	T12N-R4E, U.M. Sec. 21: S $\frac{1}{2}$, all tide and submerged lands seaward of the Mean High Water as shown on the official tract map for the Oil and Gas Lease Sale 43 TOTAL	<u>90.00</u> 90.00	16.66667	CPAI APC	78.00 22.00	0.00000000

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Tract No.	ADL No./ AK No./ Tobin No.	Legal Description	Acres	Royalty (%)	Owners	Working Interest %	Tract Allocation
19	380095 4621 932056	T12N-R4E, U.M. Sec. 21: S½, excluding tide and submerged lands seaward of the Mean High Water as shown on the official tract map for the Oil and Gas Lease Sale 43		16.667	CPAI APC	78.00 22.00	0.00000021
	TOTAL		<u>118.62</u> 118.62				
20	380095 4621 932056	T12N-R4E, U.M. Sec. 20: SE¼, excluding tide and submerged lands seaward of the Mean High Water as shown on the official tract map for the Oil and Gas Lease Sale 43		16.667	CPAI APC	78.00 22.00	0.00000000
	TOTAL		<u>1.30</u> 1.30				
21	387211 4833 932197	T12N,R4E-U.M. Sec. 20: SE¼, SE¼SW¼, all tide and submerged lands seaward of the Mean High Water as shown on the official tract map for the Oil and Gas Lease Sale 43		16.66667	CPAI APC	78.00 22.00	0.00000000
	TOTAL		<u>198.74</u> 198.74				
23	ASRC ALK-4743	T11N-R4E, U.M. Sec. 4: ALL Sec. 5: NE¼, E½SE¼ Sec. 9: N½, SE¼, E½SW¼		16.667	CPAI APC	78.00 22.00	0.03935580
	TOTAL		<u>640.00</u> 240.00 560.00				

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Tract No.	ADL No./ AK No./ Tobin No.	Legal Description	Acres	Royalty (%)	Owners	Working Interest %	Tract Allocation
24	387212 4834 932199	T12N-R4E, U.M.					
		Sec. 28: ALL, (fractional) excluding tide and submerged lands seaward of the line of mean high water	565.98				
		Sec. 29: E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$, (fractional) excluding tide and submerged lands seaward of the line of mean high water	317.51				
		Sec. 32: E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$, (fractional) excluding tide and submerged lands seaward of the line of mean high water	442.98 <u>640.00</u>				
		Sec. 33: ALL	3,406.47				
		TOTAL					
25	25530 4714 932098	T12N-R4E, U.M.					
		Sec. 27: ALL, within NPRA	550.29	16.66667 Sliding Scale	CPAI APC	78.00 22.00	0.00720776
		TOTAL	550.29				
26	387212 4834 932199	T12N-R4E, U.M.					
		Sec. 26: ALL, within NPRA	89.71	12.5	CPAI APC	78.00 22.00	0.00251489
		TOTAL	89.71				
27	25530 4714 932098	T12N-R4E, U.M.					
		Sec. 26: ALL, excl. NPRA	17.36	16.66667 Sliding Scale	CPAI APC	78.00 22.00	0.00040795
		TOTAL	17.36				
28	25530 4714 932098	T12N-R4E, U.M.					
		Sec. 25: ALL	622.64	12.5	CPAI APC	78.00 22.00	0.00764571
		TOTAL	622.64				
28	25530 4714 932098	T12N-R4E, U.M.					
		Sec. 25: ALL	640.00	12.5	CPAI APC	78.00 22.00	0.01176440
		TOTAL	640.00				

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Tract No.	ADL No./ AK No./ Tobin No.	Legal Description	Acres	Royalty (%)	Owners	Working Interest %	Tract Allocation
29	25558 4716 932102	T12N-R5E, U.M. Sec. 29: S $\frac{1}{2}$, NW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$ Sec. 30: ALL Sec. 31: ALL Sec. 32: ALL TOTAL	560.00 588.00 591.00 640.00 2,379.00	5 12.5	CPAI APC	78.00 22.00	0.09286251
30	25557 4718 932106	T12N-R5E, U.M. Sec. 27: S $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 28: SW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 33: ALL Sec. 34: S $\frac{1}{2}$, NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$ TOTAL	80.00 320.00 640.00 600.00 1,640.00	12.5	CPAI APC	78.00 22.00	0.04769127
34	372108 4559 932008	T12N-R5E, U.M. Sec. 35: W $\frac{1}{2}$ SW $\frac{1}{4}$ TOTAL	80.00 80.00	12.5	CPAI APC	78.00 22.00	0.00000000
35	380096 4622 932058	T12N-R4E, U.M. Sec. 36: ALL TOTAL	640.00 640.00	16.667	CPAI APC	78.00 22.00	0.05087860
36	25530 4714 932098	T12N-R4E, U.M. Sec. 35: ALL, excl. NPRA TOTAL	596.62 596.62	12.5	CPAI APC	78.00 22.00	0.02942458
37	387212 4834 932199	T12N-R4E, U.M. Sec. 35: ALL, within NPRA TOTAL	43.38 43.38	16.66667 Sliding Scale	CPAI APC	78.00 22.00	0.00111873
38	387212 4834 932199	T12N-R4E, U.M. Sec. 34: ALL, within NPRA TOTAL	640.00 640.00	16.66667 Sliding Scale	CPAI APC	78.00 22.00	0.02289050

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Tract No.	ADL No./ AK No./ Tobin No.	Legal Description	Acres	Royalty (%)	Owners	Working Interest %	Tract Allocation
39	387207 4830 932191	T11N-R4E, U.M. Sec. 3: ALL, within NPRA TOTAL	<u>588.85</u> 588.85	16.6667 Sliding Scale	CPAI APC	78.00 22.00	0.03009966
40	380075 4608 932034	T11N-R4E, U.M. Sec. 3: ALL, excl. NPRA TOTAL	<u>51.15</u> 51.15	16.667	CPAI APC	78.00 22.00	0.00351232
42	380075 4608 932034	T11N-R4E, U.M. Sec. 2: ALL TOTAL	<u>640.00</u> 640.00	16.667	CPAI APC	78.00 22.00	0.04786811
43	380075 4608 932034	T11N-R4E, U.M. Sec. 1: ALL TOTAL	<u>640.00</u> 640.00	16.667	CPAI APC	78.00 22.00	0.04672709
44	25559 4717 932104	T11N-R5E, U.M. Sec. 5: ALL Sec. 6: ALL Sec. 7: ALL Sec. 8: ALL TOTAL	<u>640.00</u> 593.00 596.00 <u>640.00</u> 2,469.00	12.5	CPAI APC	78.00 22.00	0.16115278
45	372095 4551 931992	T11N-R5E, U.M. Sec. 3: ALL Sec. 4: ALL Sec. 9: ALL Sec. 10: ALL TOTAL	<u>640.00</u> 640.00 640.00 <u>640.00</u> 2,560.00	12.5	CPAI APC	78.00 22.00	0.12676158
46	25560 4719 932108	T11N-R5E, U.M. Sec. 2: W $\frac{1}{2}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ TOTAL	<u>400.00</u> 400.00	12.5	CPAI APC	78.00 22.00	0.00036374

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Tract No.	ADL No./ AK No./ Tobin No.	Legal Description	Acres	Royalty (%)	Owners	Working Interest %	Tract Allocation
49	25560 4719 932108	T11N-R5E, U.M. Sec. 11: NW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$	360.00 360.00	12.5	CPAI APC	78.00 22.00	0.00060306
50	380075 4608 932034	T11N-R4E, U.M. Sec. 12: ALL TOTAL	640.00 640.00	16.667	CPAI APC	78.00 22.00	0.06365268
51	380075 4608 932034	T11N-R4E, U.M. Sec. 11: ALL, excl. NPRA TOTAL	594.02 594.02	16.667	CPAI APC	78.00 22.00	0.07328732
52	387207 4830 932191	T11N-R4E, U.M. Sec. 11: ALL, within NPRA TOTAL	45.98 45.98	16.66667 Sliding Scale	CPAI APC	78.00 22.00	0.00341573
53	380075 4608 932034	T11N-R4E, U.M. Sec. 10: ALL, excl. NPRA TOTAL	5.83 5.83	16.667	CPAI APC	78.00 22.00	0.00018762
54	387207 4830 932191	T11N-R4E, U.M. Sec. 10: ALL, within NPRA TOTAL	634.17 634.17	16.66667 Sliding Scale	CPAI APC	78.00 22.00	0.04306948
55	387208 4831 932193	T11N-R4E, U.M. Sec. 16: NE $\frac{1}{4}$, NE $\frac{1}{2}$ SE $\frac{1}{4}$, within NPRA TOTAL	191.26 191.26	16.66667 Sliding Scale	CPAI APC	78.00 22.00	0.00000000
56	380075 4608 932034	T11N-R4E, U.M. Sec. 16: SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{2}$ SE $\frac{1}{4}$, excl. NPRA TOTAL	8.73 8.73	16.667	CPAI APC	78.00 22.00	0.00000000
57	387208 4831 932193	T11N-R4E, U.M. Sec. 15: ALL, within NPRA TOTAL	103.94 103.94	16.66667 Sliding Scale	CPAI APC	78.00 22.00	0.00281933

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Tract No.	ADL No./ AK No./ Tobin No.	Legal Description	Acres	Royalty (%)	Owners	Working Interest %	Tract Allocation
58	380075 4608 932034	T11N-R4E, U.M. Sec. 15: ALL, excl. NPRA TOTAL	536.06 <u>536.06</u>	16.667	CPAI APC	78.00 22.00	0.00695310
59	380075 4608 932034	T11N-R4E, U.M. Sec. 14: ALL TOTAL	640.00 <u>640.00</u>	16.667	CPAI APC	78.00 22.00	0.02723194
60	380075 4608 932034	T11N-R4E, U.M. Sec. 13: ALL TOTAL	640.00 <u>640.00</u>	16.667	CPAI APC	78.00 22.00	0.03675775
61	372097 4553 931996	T11N-R5E, U.M. Sec. 17: ALL Sec. 18: ALL TOTAL	640.00 <u>599.00</u> 1,239.00	12.5	CPAI APC	78.00 22.00	0.00837633
62	372096 4552 931994	T11N-R5E, U.M. Sec. 16: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ TOTAL	560.00 <u>560.00</u>	12.5	CPAI APC	78.00 22.00	0.00156013
63	384210 4701 932078	T11N-R5E, U.M. Sec. 15: NW $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ TOTAL	280.00 <u>280.00</u>	16.667	CPAI APC	78.00 22.00	0.00000010
70	384211 4702 932080	T11N-R5E, U.M. Sec. 20: N $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ TOTAL	120.00 <u>120.00</u>	16.667	CPAI APC	78.00 22.00	0.00000000
71	384211 4702 932087	T11N-R5E, U.M. Sec. 19: NW $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$ TOTAL	260.58 <u>260.58</u>	16.667	CPAI APC	78.00 22.00	0.00000000
72	380077 4609 932036	T11N-R4E, U.M. Sec. 24: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$ TOTAL	480.00 <u>480.00</u>	16.667	CPAI APC	78.00 22.00	0.00000000

Exhibit C




Revised March 14, 2006

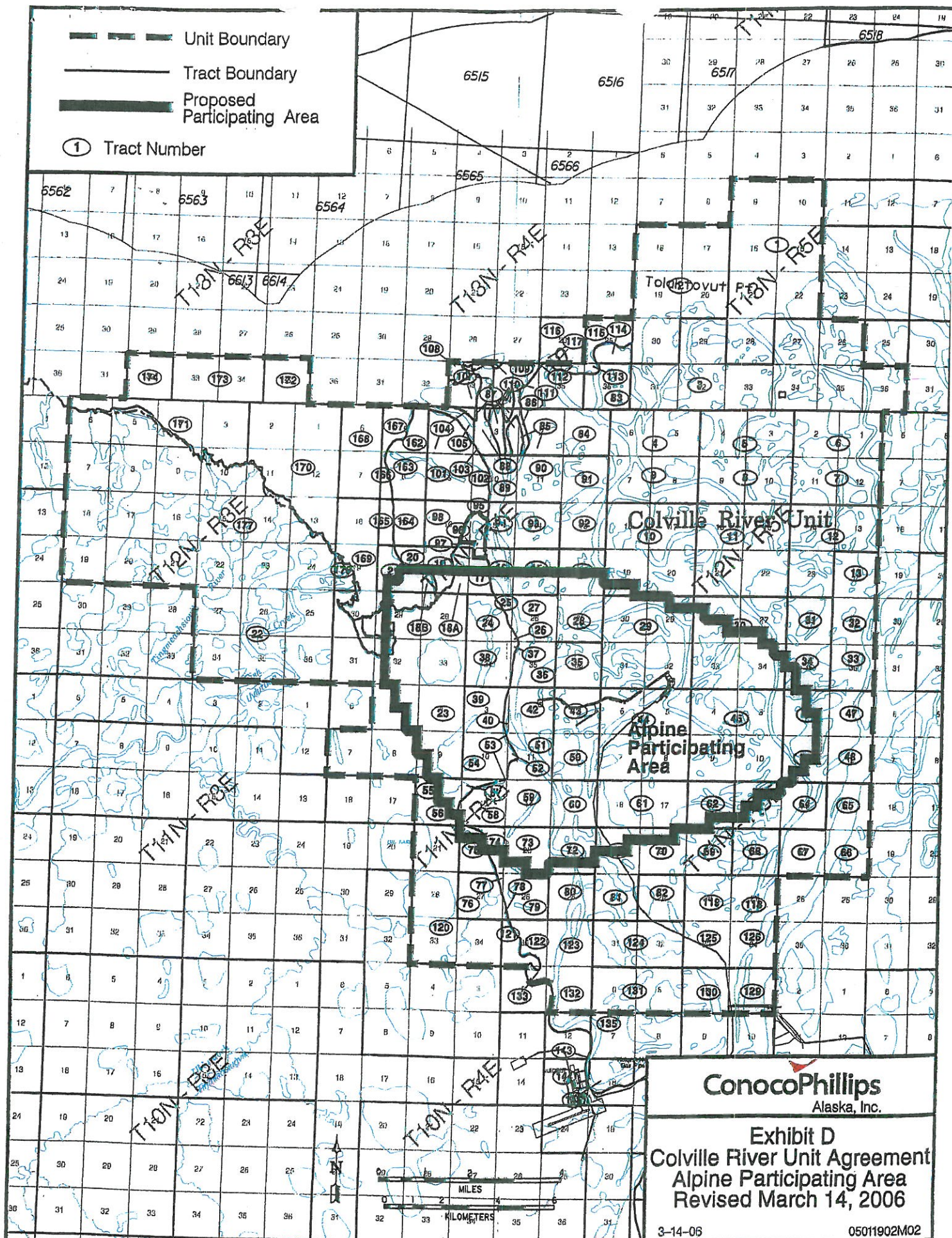
Alpine Participating Area Tract Participation

Attached to and made a part of the Colville River Unit Agreement

Tract No.	ADL No./ AK No./ Tobin No.	Legal Description	Acres	Royalty (%)	Owners	Working Interest %	Tract Allocation
73	380077 4609 932036	T11N-R4E, U.M. Sec. 23: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ TOTAL	<u>560.00</u> 560.00	16.667	CPAI APC	78.00 22.00	0.00103363
74	380077 4609 932036	T11N-R4E, U.M. Sec. 22: N $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$, excl. NPRA TOTAL	<u>146.10</u> 146.10	16.667	CPAI APC	78.00 22.00	0.00000000
75	387208 4831 932193	T11N-R4E, U.M. Sec. 22: N $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$, within NPRA TOTAL	<u>93.84</u> 93.84	16.66667 Sliding Scale	CPAI APC	78.00 22.00	0.00000000
169	388466	T12N-R4E, U.M. Sec. 28: unsurveyed, all tide and submerged lands seaward of the line of mean high water and the channel closing lines as shown on the official tract map Sec. 29: E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$, unsurveyed, all tide and submerged lands seaward of the line of mean high water and the channel closing lines as shown on the official tract map Sec. 32: E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$, unsurveyed, all tide and submerged lands seaward of the line of mean high water and the channel closing lines as shown on the official tract map THE CHANNEL CLOSING LINE WITHIN SECTION 28 WAS DRAWN BASED ON COASTAL LINE PROCEDURE. THE PURPOSE IS TO SEGREGATE TIDE AND SUBMERGED ACREAGE FROM UPLAND ACREAGE.	62.67 162.40 36.99	16.66667	CPAI APC	78.00 22.00	0.00002724
	TOTAL		262.06				
	TOTAL PA ACRES		28,695.19				1.00

KEY:
CPAI - ConocoPhillips Alaska, Inc.
APC - Anadarko Petroleum Corporation

-  Unit Boundary
-  Tract Boundary
-  Proposed Participating Area
- ① Tract Number



ConocoPhillips
Alaska, Inc.

Exhibit D
Colville River Unit Agreement
Alpine Participating Area
Revised March 14, 2006

3-14-06

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